Financial Aid News

Online resources for aid administrators

- Higher Education Coordinating Board Web site
  - HECB secure Web site for aid administrators
  - State Need Grant
  - State Work Study
  - Washington Promise Scholarship
  - Educational Opportunity Grant
  - Washington Scholars Program
  - WAVE
  - Other state aid programs
  - Past issues of the *Financial Aid News* and other publications
- Washington Financial Aid Association
- Washington State Association of Student Employment Administrators
- Western Association of Financial Aid Administrators
- Western Association of Student Employment Administrators
- National Association of Student Financial Aid Administrators

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WASHINGTON HIGHER EDUCATION COORDINATING BOARD

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HECB establishes grant amounts for Promise, Washington Scholars and WAVE programs

The Higher Education Coordinating Board has announced 2003-04 award amounts for three scholarship programs. Board staff determined award values for the Washington Scholars program, Washington Award for Vocational Excellence (WAVE), and Promise Scholarship based on available funding and the number of eligible applicants.

The Promise Scholarship is set at $930 for all recipients for 2003-04. The Washington Scholars and WAVE awards are authorized at the full value of public tuition and service and activity fees at the school each recipient attends. Annual awards for these programs are:

University of Washington	$4,749
Washington State University	$4,836
Independent Colleges and Universities	$4,836
Central Washington University	$3,654
Eastern Washington University	$3,582
The Evergreen State College	$3,651
Western Washington University	$3,638
Community and Technical Colleges	$2,142

Staff will reassess award amounts for the three programs in December to determine if adjustments are required for winter and spring terms.

GET program holds price level for new enrollment year

The Guaranteed Education Tuition (GET) Committee last week announced it would not raise prices for the state's prepaid tuition program for the 2003-04 enrollment year beginning Sept. 15.

The GET program allows individuals to prepay for future college tuition for themselves or other students. Purchasers buy GET in units. It takes 100 units to cover a year of tuition and state-approved fees at the state's research universities, about 78 units at regional four-year institutions, and 45 units at community and technical colleges. GET units may also be used at private and out-of-state colleges and universities as well as selected international schools.

Citing good returns on GET investments, and in spite of a 7 percent tuition increase at Washington's public colleges and universities for 2003-04, committee members voted to maintain the current GET price structure. The price of one unit of GET will remain at $57 at least through April 2004.

The state guarantees that a GET unit bought today will have the same tuition purchasing power in future years, regardless of increases in college prices. And the earnings on pre-paid tuition programs are tax free when used for educational purposes.

For more information on GET, visit the Web site: www.get.wa.gov.

States cut spending more, raise taxes less, to close combined $78 billion gap

State legislatures were more likely to cut services than raise taxes to close their budget gaps in 2003, according to a report by the National Conference of State Legislatures.

This year, state lawmakers wrestled with budget shortfalls that totaled more than $78 billion. The report said that 31 states cut programs, including social services and higher education. Only 17 states raised taxes to address deficits.

State lawmakers "have balanced their budgets largely without enacting large-scale tax increases," said Oklahoma Sen. Angela Monson (D), president of NCSL. "Given the nature of where we are politically it is very difficult to increase taxes." Monson's comments appeared in the online journal Stateline.org.

In another emerging trend, lawmakers also increased fees — forcing those who use state services to pay more of the direct costs. Citizens in many states, for example, will pay more for visiting parks and other state facilities.

And, of course, tuition has risen too. Sometimes lawmakers raised it. Sometimes institutions raised it to offset cuts in state support.

Tuition increases of 28 percent at the University of Oklahoma and 39 percent at the University of Arizona dwarf our state's 7 percent hike in public tuition and fees — an increase that is still more than twice the rate of inflation.

The NCSL report is available online: State budget and tax actions 2003.

Some colleges cap home equity in determining need for institutional aid

In an effort to help middle-income families squeezed out of aid eligibility by skyrocketing real estate values, more than two dozen of the nation's most prestigious colleges are taking a new approach in assessing home equity.

Aid officers at these schools have decided that, when determining eligibility for institutional aid, they will no longer count the market value of a home as a liquid asset that could be converted directly to tuition, according to the July 27 *New York Times.*

Formulas for federal aid do not consider home equity at all. However, institutions may assess equity for purposes of awarding non-federal financial aid. The schools involved in this new approach to home equity are known as the 568 President's Working Group, named for a federal provision that allows them to establish common policies for financial aid without fear of violating anti-trust laws.

These schools will continue to count homes as assets, and expect families to contribute as much as 5 percent of the equity toward higher education costs. But instead of counting the entire equity — current practice at most institutions — they will cap that equity at 2.4 times a household's income.

The result may offer substantial help to middle-income parents who purchased homes in previous decades, only to watch home values in their regions increase at extraordinary rates.

Meena Bhambi is one such parent. Twenty years ago, she and her late husband purchased a home in suburban Boston for $90,000. Today, that same home would sell for $630,000, and Ms. Bhambi is a widowed day-care worker.

"There is no way I can sell my house," Bhambi said. "Where would I live?"

"The whole point of what we're trying to accomplish and recognize is that home value is often inflationary and out of proportion to a family's ability to pay," said

James A. Belvin Jr., the director of financial aid at Duke University. “What we wanted to do was soften the impact.”

Institutions joining Duke in this new approach to home equity include Stanford, Yale, Columbia, Cornell, Williams, Wesleyan, and the Universities of Chicago and Pennsylvania.

The article is no longer available online.